AFFORDABLE CARE ACT
MASSACHUSETTS IMPLEMENTATION UPDATE

June 26, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Grants and Demonstrations

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

Grant and Demonstration Announcements

REACH: Racial and Ethnic Approaches to Community Health: Obesity and Hypertension Demonstration Projects, §4002. Announced June 21, 2012. Funding is available for the development of strategies that can be applied to reduce and address health disparities in obesity and hypertension outcomes. Eligible applicants include states and local governments; for-profit and non-profit organizations; universities, hospitals, and community and faith-based organizations. Applicants must demonstrate that proposed strategies are scalable in order to achieve population-wide policy, systems, and environmental improvements. In addition, grantees will conduct a policy and implementation assessment and a data analysis and will also work closely with a national evaluation team in assessment activities. $12.3M in 4 awards is available.

Applications are due August 7, 2012.

The announcement can be viewed at:
http://www.grants.gov/search/search.do?mode=VIEW&oppId=178674

REACH: Racial and Ethnic Approaches to Community Health, §4002. Announced June 21, 2012. Funding is available to develop or strengthen national or multi-state organizations to fund, manage, support and monitor sub-recipients in addressing and implementing strategies

that reduce health disparities for intervention populations within a geographic area. Eligible applicants include states and local governments; for-profit and non-profit organizations; universities, hospitals, and community and faith-based organizations. Grantees should also address chronic disease health disparities in the development and implementation of a community health action plan. In addition, applicants must describe intervention populations, health or risk factor burden, health outcomes measurements, and the total number of people served by this intervention in their proposal. Organizations must show a national or multi-state reach by demonstrating the ability to fund projects in at least 3 states. $20.2M in 6-10 awards is available.

Applications are due August 7, 2012.

The announcement can be viewed at: http://www07.grants.gov/search/search.do?oppId=55146&mode=VIEW

Health Center Controlled Networks (HCCNs), §10503. Announced June 19, 2012. Funding is available for existing HCCNs to facilitate the adoption, implementation and meaningful use of Health Information Technology. Eligible applicants must be 1) a non-profit organization; 2) a practice management network (i.e. HCCN) or certain Federally Qualified Health Centers; and 3) provide evidence of commitment to achieving the goals of the program. Under this initiative, applicants must effectively implement Electronic Health Record technology within the HCCN. In addition, applicants must propose making necessary technical upgrades and workflow changes to meet meaningful use requirements, and advance quality improvement. $20M in 30 awards is available.

Applications are due September 10, 2012.

The announcement can be viewed at: HRSA

Hospital Collaboratives to Improve Maternity Care Practices Related to Breastfeeding in the U.S., §4002. Announced June 19, 2012. This initiative provides additional funding to current initiative grantees to improve maternity care practices related to breastfeeding by providing access to resources and supports for mothers. Applicants must provide a progress report for the current budget period that details key findings on objectives related to the initiative and list proposed objectives for the upcoming budget period that supports the initial funding announcement. $2,135,000 is available.

Applications are due July 19, 2012.

The announcement can be viewed at: Grants

Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories, §4002. Announced June 18, 2012. Funding is available to provide breast and cervical cancer screening, follow-up, tracking, and patient navigation services to low income, under-insured and uninsured women. This grant opportunity seeks to increase the number of women screened for breast and cervical screening by 50,000. Only current National Breast and Cervical Cancer Early Detection Program grantees are eligible to apply. In Massachusetts, the Women's Health Network at the Department of Public Health is eligible. Applicants will be measured on the feasibility of leveraging the current CDC funded program to screen additional women. $10M in 67 awards is available.

Applications are due July 18, 2012.

The announcement can be viewed at: Grants.gov

Grant Activity

June 11, 2012 the Department of Public Health submitted an application to the CDC for a Building and Strengthening Epidemiology and Laboratory Capacity (ELC) grant under §4002 and 4304 of the ACA. Current ELC grantees are eligible to apply for funding to extend their current project and budget periods for an additional 12 months. The purpose of the grant is to continue the ELC program which seeks to improve health and reduce the rate of growth of health care costs through building epidemiology, laboratory, and health information systems capacity in state and local public health departments. DPH is proposing activities which will build epidemiology, laboratory and health information systems capacity at state and local health department levels in Massachusetts.

The project narrative can be viewed on our website under the Grants and Demonstrations section at: http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/grants/120611-building-strengthening-elc-narrative.pdf

Guidance

6/26/12 IRS/Treasury issued a proposed rule "Additional Requirements for Charitable Hospitals." The proposed regulations provide guidance regarding requirements under ACA §9007 and §10903 for charitable hospital organizations relating to financial assistance and emergency medical care policies, charges for certain care provided to individuals eligible for financial assistance, and billing and collections. The proposed rules seek to clarify hospitals' responsibilities under the ACA, give patients at least four months to apply for financial help before hospitals can surrender their claims to collections agencies or file lawsuits. The proposed regulations would also require hospitals to establish financial assistance policies (FAPs) and provide patients with the information needed to apply for such help. The proposed rules don't dictate what sort of financial assistance hospitals must provide but allow them flexibility to establish programs that meet the needs of their communities. The proposed rules would also require hospitals to: 1) Provide a "plain language" summary of their financial assistance policies before patients are discharged, and with the first three bills; 2) Give patients at least 120 days following the first bill before starting certain collection actions; 3) Give the patient 240 days to submit a complete financial aid application; and 4) Refund excess payments made (and seek to reverse any collection actions) if a patient is found to be eligible for financial aid during those 240 days.
Comments or requests for a public hearing are due September 24, 2012.

Read the regulations at: http://www.gpo.gov/fdsys/pkg/FR-2012-06-26/pdf/2012-15537.pdf

6/25/12 IRS/Treasury published final and proposed regulations "Disregarded Entities and the Indoor Tanning Services Excise Tax." The regulations affect disregarded entities responsible for collecting the indoor tanning services excise tax and owners of those disregarded entities.

Effective July 1, 2010, ACA §10907 imposed a 10% excise tax on indoor tanning services. In general, providers of indoor tanning services collect the tax from consumers at the time the tanning services are purchased and the provider then pays over these amounts to the government. The tax does not apply to phototherapy services performed by a licensed medical professional on his or her premises. There is also an exception for certain physical fitness facilities that offer tanning as an incidental service to members without a separately identifiable fee.

The June 2012 regulations amend the Internal Revenue Code and affect returns of this tax that

are due on or after October 31, 2012.

Read the notice of proposed rulemaking at: http://www.gpo.gov/fdsys/pkg/FR-2012-06-25/pdf/2012-15421.pdf
Read the final and proposed regulations at: http://www.gpo.gov/fdsys/pkg/FR-2012-06-25/pdf/2012-15422.pdf

Comments are or requests for a public hearing are due September 24, 2012.

For more information on the excise tax, read the IRS Frequently Asked Questions at: http://www.irs.gov/businesses/small/article/0,,id=224600,00.html

6/21/12 CMS released a solicitation for public input on two potential methodologies for converting current state Medicaid and Children's Health Insurance Program (CHIP) net income eligibility standards to equivalent modified adjusted gross income (MAGI) standards under the ACA.

Currently states use different rules to count income and determine Medicaid eligibility, with some states allowing disregards and deductions that are not allowed in others. As required by §2002 of the ACA and the subsequently issued Medicaid Eligibility Final Rule, starting January 1, 2014, for most individuals, financial eligibility for Medicaid and CHIP will be determined using methodologies that are based on the new income definition, MAGI. The adoption of MAGI, which is now defined in a new section of the Internal Revenue Code, §36B(d)(2), will standardize the income calculation nationally. In addition to a 5% FPL across-the-board income disregard for all MAGI populations, there will no longer be any disregards applied, unless an individual falls into one of the populations exempted from MAGI rules (such as the elderly or the disabled). MAGI is further explained in the final rule regarding Health Insurance Premium Tax Credits under the ACA, published in the Final Premium Tax Credit Rule. Affordable Insurance Exchanges, health insurance marketplaces established by §1311, will also use MAGI information to determine eligibility for advance payments of premium tax credits for the purchase of private insurance coverage through Exchanges (§1401).

In order to implement a MAGI-based income determination system in Medicaid, states will need to convert their current financial eligibility income standards from net standards that incorporate current income disregards to an equivalent MAGI income standard. CMS is seeking comments as to the feasibility and/or benefits of two potential approaches to income conversion that the agency has laid out in the announcement, as well as potential other approaches.

The two approaches are as follows: 1) The average disregard method quantifies the average difference between the current net and gross income of each group and uses this average as a proxy disregard in order to establish the new MAGI-equivalent income standard. If a state retains data on gross and net income for individuals, it can utilize this methodology applied to state administrative data to establish new MAGI-equivalent income standards for each group. This methodology could also be applied using an outside data source if the state does not have the necessary data in its eligibility system; and 2) The same number net and gross method would account for the major disregards each state has in place by determining an income standard using MAGI-based methods which would be reasonably estimated to result in the same number of individuals (not necessarily the same individuals) being determined eligible as would be determined eligible according to the state's current net income standard. This method focuses on the outcome rather than the process for the conversion. This alternative approach could not be done using state administrative data; rather, it would use outside data from nationally representative surveys.

According to the announcement, the agency intends to issue guidance on income conversion later this year.

Comments are due July 23, 2012.

Read the solicitation at: Medicaid

6/18/12 CMS/HHS issued a notice "Request for Domains, Instruments, and Measures for Development of a Standardized Instrument: Public Reporting of Enrollee Satisfaction with their Qualified Health Plan and Exchange." §1311(c)(4) of the ACA requires HHS to establish an enrollee satisfaction survey system to be administered to members of each qualified health plan (QHP) offered through the Affordable Health Insurance Exchanges that will be operational in 2014 as health insurance marketplaces.

HHS is seeking comments on ways to measure consumer experience in QHPs, i.e. health plans that are certified to meet minimum standards and sold on the Exchanges. Specifically, the notice solicits input on publicly-available domains (for example, broad functional areas such as access, communication, coordination of care, customer service), instruments, and measures for measuring the level of enrollee satisfaction with QHPs. HHS is also seeking comments on ways to measure the experience of the consumer interacting with the health care system and the experience of the consumer interacting with the Exchange (for example, enrollment and customer service) from consumers, researchers, vendors, health plans, Exchanges, stakeholders, and other interested parties. The consumer surveys would start in 2016 and the results would be public.

Comments are due June 29, 2012.
Read the notice (which was published in the Federal Register on Thursday, June 21, 2012) at:
http://www.gpo.gov/fdsys/pkg/FR-2012-06-21/pdf/2012-15162.pdf
Prior guidance can be viewed at www.healthcare.gov

News

6/22/12 CMS announced that two new Consumer Oriented and Operated Plan (CO-OP) repayable loans will be awarded to non-profit entities to help them establish private non-profit, consumer-governed health insurance companies to offer qualified health plans in the health insurance exchanges. Established under §1322 of the ACA, the goal of CO-OP program is to create a new CO-OP in every state in order to expand the number of exchange health plans with a focus on integrated care and plan accountability.

New non-profits receiving loans include: **Kentucky Health Care Cooperative**, a CO-OP that received a $58,831,5000 loan to participate in Kentucky's Health Insurance Exchange, as well as in the individual and small group marketplace. Kentucky Health Care Cooperative is sponsored by a coalition of business leaders, providers and community organizations who plan to improve health outcomes throughout the Commonwealth of Kentucky by providing better access to high quality care at an affordable cost; and **The Vermont Health CO-OP** (incorporated as the Consumer Health Coalition of Vermont), a CO-OP that received a $33,837,800 loan to work with Vermont Managed Care, the network affiliated with Vermont's academic medical center, to coordinate the delivery of health services statewide through its growing network of hospitals, physicians, primary care medical homes and other health care providers. The Vermont Health CO-OP was founded by Vermonters with extensive experience in health insurance and regulation, State health reform efforts, health care delivery, and successful corporate start-ups, with the support of providers, employers, and consumers.

Starting in 2014, CO-OPs will be able to offer plans both inside and outside of health insurance exchanges and will operate in 16 states, including: Kentucky, Vermont, Arizona, Connecticut, Michigan, Nevada, Maine, South Carolina, Oregon, New Mexico, Montana, Iowa, Nebraska, Wisconsin, New Jersey, and New York. CMS awarded the first round of CO-OP loans on February 21, 2012. To date, a total $1,244,255,637 has been awarded. CMS will continue to review applications on a quarterly schedule through December 31, 2012 and announce additional awardees on a rolling basis. According to CMS, CO-OP loans are only made to private, nonprofit entities that demonstrate a high probability of financial viability.

For more information, including a list of previous CO-OP loans awarded, visit:
http://www.healthcare.gov/news/factsheets/2012/02/coops02212012a.html

6/21/12 HHS announced that insurance companies will provide 12.8 million Americans with $1.1 billion in rebates this summer due to the ACA's medical loss ratio (MLR) requirements. According to HHS' national estimates, rebates will be an average of $151 for each eligible family. According to data released by HHS, in Massachusetts, 163,949 consumers will receive an average rebate per family of $140.

The ACA's MLR rules establish the minimum dollar percentage that health insurance companies must spend of consumers' health insurance premiums on medical care, not on income, overhead or marketing. Starting with the 2011 reporting year, the ACA required insurance companies in the individual and small group markets to spend at least 80% of collected premium dollars on medical care and quality improvement activities; insurance companies in the large group market are required to spend at least 85%. Insurance companies must report their MLR data to HHS on an annual basis so that residents of every state will have information on the value of the health plans offered by insurance companies in their state. Under the MLR rules, insurance companies that do not meet the MLR standard are required to provide rebates to their consumers. Rebates must be paid by August 1st each year and insurers will make the first round of rebates to consumers in 2012.

Under §10101 of the ACA, health insurers in the group and individual markets that meet or exceed the applicable MLR standard are required to notice their members. In addition for the 2011 MLR reporting year, plans must send their customers a notice about the plan's MLR even if they meet the requirements and don't have to offer rebates.

Consumers owed a rebate will receive the rebate in one of the following ways: a rebate check in the mail; a lump-sum reimbursement to the same account that they used to pay the premium if by credit card or debit card; a reduction in their future premiums; or their employer providing one of the above, or applying the rebate in a manner that benefits its employees.

For a detailed breakdown of these rebates by State and by market, visit:
http://www.healthcare.gov/law/resources/reports/mlr-rebates06212012a.html
For the text of these proposed notifications, visit:
http://cciio.cms.gov/resources/other/index.html#mlr
Read the final MLR rule at: http://www.gpo.gov/fdsys/pkg/FR-2012-05-16/pdf/2012-11753.pdf

6/18/12 The Patient-Centered Outcomes Research Institute, known as PCORI, announced $30 million in funding for 50 research proposals through its Pilot Projects Program. The awards, to be funded over two years, went to institutions in 24 states and the District of Columbia for research that will address a range of questions about methods for engaging patients in the health research and dissemination process. Created under §6301 of the ACA, PCORI is an independent nonprofit, expected to provide billions in federal funds for studies, and tasked with conducting patient-centered outcomes research.

Proposals for the Pilots Projects Program were evaluated for their scientific merit and compatibility with the eight areas of interest outlined in the original funding opportunity announcement last year.

The pilot projects announcement is available at:
http://www.pcori.org/assets/PCORI-Pilot-Projects-Funding-Announcement-Amendment-1-_v2_-09302011.pdf

Among the 50 research projects announced, eight are from Massachusetts. They include the following projects from the following institutions: 1) Decision Support for Symptom and Quality of Life Management, Dana-Farber Cancer Institute; 2) Patient Experience Recommender System for Persuasive Communication Tailoring, University of Massachusetts Medical School; 3) Developing an Analytic Tool to Assess Patient Responses, Boston University School of Medicine/ Boston Medical Center; 4) Assessing and Reporting Heterogeneity of Treatment Effect in Clinical Trials, Tufts Medical Center Inc.; 5) Incorporating Parent Preferences in Decision Making About Childhood Vaccines, Harvard Medical School; 6) Direct Engagement of Stakeholders in Translating CER into Clinical Guidelines, University of Massachusetts Medical School; 7) Developing and Testing a Decision Support Tool for Primary Medication Adherence, Brigham and Women's Hospital, Inc.; and 8) Influence & Evidence: Understanding Consumer Choices in Preventive Care, University of Massachusetts Medical School.

Read the full list of funded projects by state at:
http://www.pcori.org/funding-opportunities/pilot-projects/funded/#MA
In May PCORI announced that this year it will award an additional $96 million in grants in innovative and patient-focused projects that address certain areas of focus from PCORI's National Priorities for Research and Research Agenda. PCORI expects to issue a fifth funding announcement for approximately $24 million later this summer.
For information on all PCORI funding opportunities, visit:
http://www.pcori.org/funding-opportunities/

EOHHS News

Request for Responses from Integrated Care Organizations
On June 19, the Executive Office of Health and Human Services (EOHHS) issued a Request for Responses (RFR) to solicit proposals from Integrated Care Organizations (ICOs) to participate in the Duals Demonstration program. The purpose of this Demonstration is to improve quality of care and reduce health disparities, improve health and functional outcomes, and contain costs for dual eligibles. Under this program the selected ICOs will be accountable for the delivery and management of all covered medical, behavioral health, and long-term services and supports for their enrollees. The RFR and related appendices are posted at:
www.mass.gov/masshealth/duals and on the state procurement website Comm-PASS (www.comm-pass.com) under the Document Number 12CBEHSDUALSICORFR.
Responses to the RFR will be due to EOHHS by 4:00 PM (EDT), July 30, 2012.
Read more at: Mass.Gov

Bookmark the **Massachusetts National Health Care Reform website** at: http://mass.gov/national health reform to read updates on ACA implementation in Massachusetts.

Remember to check http://mass.gov/masshealth/duals for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.